Supplement to Official Statement Dated April 3, 2007

Section II of the Official Statement (YEARLY INFORMATION STATEMENT – Pension Plans and Other Post Employment Benefits) contains information regarding our consultant's preliminary valuation of our OPEB liabilities. On April 4, 2007, our actuarial consultant, Bryan, Pendleton, Swats & McAllister, LLC, provided us with updated actuarial valuations of our Other Post Employment Benefits ("OPEB") liabilities.

The liabilities detailed in the Official Statement were derived from preliminary actuarial estimates produced by our independent actuarial consultants based on then-available data and on key assumptions listed in the Official Statement. In the course of developing more comprehensive and detailed estimates, our actuarial consultants adopted what they deem to be more appropriate actuarial assumptions resulting in an increase in the estimated liabilities reported in the Official Statement. These increases arise both from updated data and from changes in actuarial assumptions.

A brief summary of the April 4, 2007 updated valuations is set forth below and will be included on our website along with the other information incorporated by Section II of this Official Statement. The detailed presentation has been shared with the rating agencies, each of which has verbally confirmed that this information does not affect its rating of the Bonds (for details regarding Ratings on the Bonds, see Section I of the Official Statement, "The Bonds – Ratings"). Copies of the complete valuations may be obtained from the Metropolitan Treasurer at (615) 862-6112 or lannie.holland@nashville.gov.

Key assumptions

- Health care cost trend rates
  - – 9% graded to 5% for other medical expenses (Non-Rx)
  - – 12% graded to 5% for prescription drugs (Rx)
  - – 4% for dental expenses (and vision expenses for teachers)
- July 1, 2006 valuation date and census data
- Discount rate of 4.5% based on current funding policy
- Actuarial costing
  - – Entry Age Normal actuarial cost method
  - – 30 year amortization of Accrued Liability as level % salary
- Medicare Part D subsidy does not reduce liability measurement
- Current eligibility and benefit levels provided
- Projections based on "pay as you go" funding

Estimated Liability

	Metro Retirees (other than teachers)		**Metro Teachers**	
	Pay As You Go (4.5% Discount Rate)	Actuarial Funding (6.0% Discount Rate)*	Pay As You Go (4.5% Discount Rate)	Actuarial Funding (6.0% Discount Rate)*
Present Value of Future Benefits	$2,567,871,000	$1,900,169,000	$707,616,000	$537,143,000
Unfunded Accrued Liability	$1,520,602,000	$1,234,681,000	$472,957,000	$393,364,000
Annual Required Contributions	$144,616,000	$120,379,000	$36,900,000	$31,744,000
Projected Cash Expense	$40,163,000	$40,163,000	$16,620,000	$16,620,000

** The updated valuations calculate liabilities based on a 4.5% discount rate. Previous liability estimates were calculated with a 6% discount rate. Estimates calculated with a 6% discount rate are presented here for the purpose of identifying the change in liability valuation that would result if Metro were to fund the liability.*